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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
DAIRY BRANCH

INSERTS

for  
SUMMARIES  
OF  
FLUID MILK MARKETING ORDERS

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CUMBER  
★ JUL 9-1951  
U. S. DEPARTMENT OF AGRICULTURE

Revised to February 1, 1951

and

Federal Register Citations  
for the Milk Price Orders

The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948, and Federal Register Citations for the milk price orders. These inserts revise the Federal orders as effective on February 1, 1951. The last insert was issued on January 1, 1951.



- (3) Disposed of as bulk skim milk to manufacturers of candy, soup, or bakery products who do not dispose of milk in fluid form; and
- (4) Plant shrinkage not over 2 per cent of producer milk and actual plant shrinkage of "other source" milk.

Class Prices (3.5 per cent butterfat):

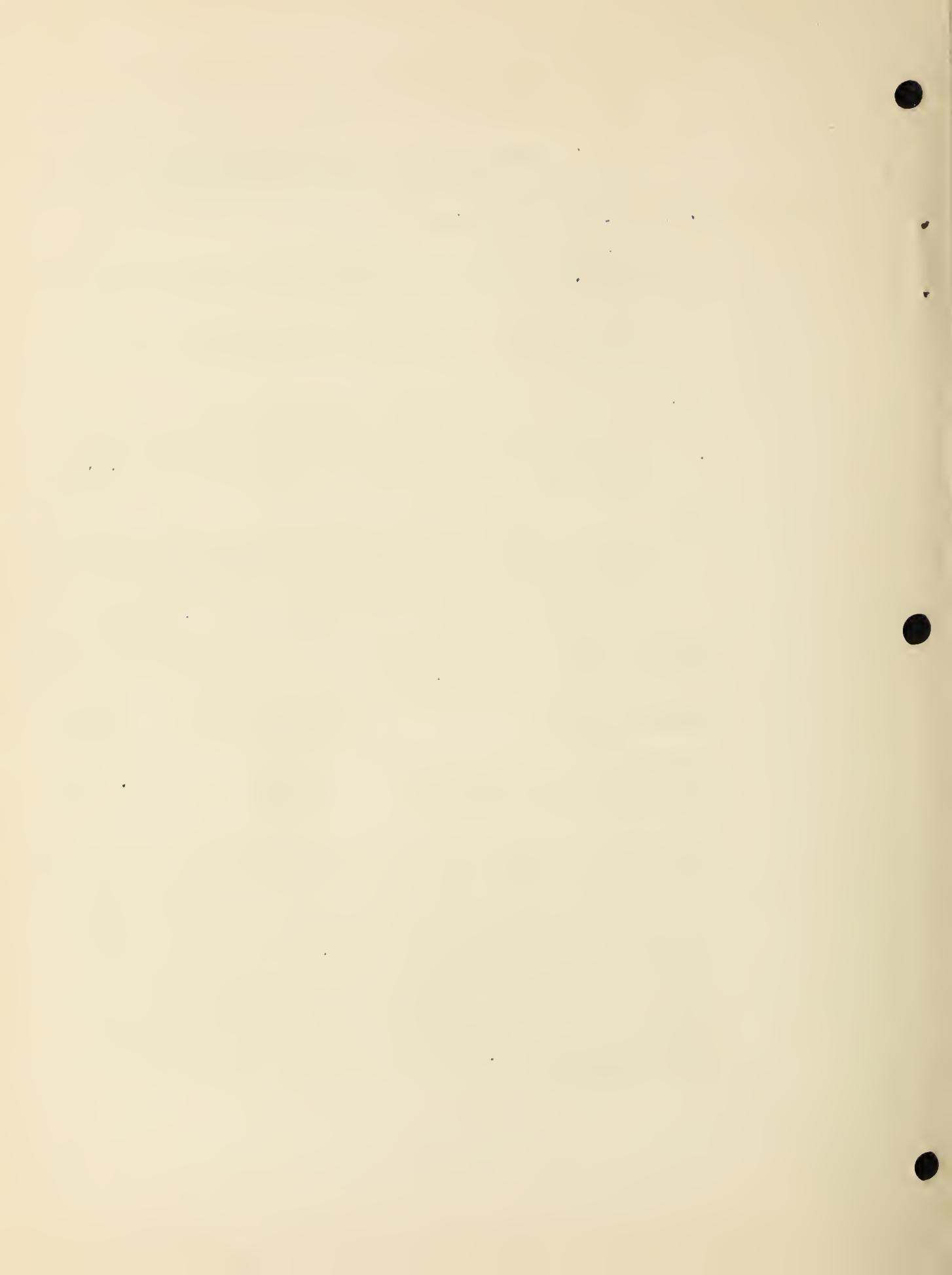
A "basic formula" price is used for Class I, Class II, and Class III prices. The "basic formula" price is the highest of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for "basic formula" price in Chicago order),
- (2) 92-score butter at Chicago, multiplied by 6,  
PLUS  
2.4 times the average price per pound of "Twins" at Plymouth, Wisconsin (or "Cheddars"), divided by 7, times 1.3, times 3.5,
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5, plus an amount computed as follows:  
Price per pound of nonfat dry milk solids (spray and roller process, human consumption, carlots, f.o.b. Chicago area plants), minus 5.5 cents, times 8.5, times .965.

Class I - "Basic formula" price plus the following amounts for the delivery period indicated:

<u>Delivery period</u>	<u>Huntington District</u> <u>plants</u>	<u>Other</u> <u>plants</u>
May and June	\$1.10	\$0.90
March, April, July, and August	1.20	1.00
September through February	1.35	1.15

If, during the 12 month period preceding September, the quantity of producer milk classified as Class III is less than 12 per cent of milk received from producers at either Huntington District plants or at all fluid milk plants, the price of Class I milk is increased 25 cents per hundredweight during the following October, November, December, and January. If, during the 12 month period preceding March of any year the quantity of producer milk classified as Class III is more than 18 per cent of total receipts from producers at either Huntington District plants or at all fluid milk plants, the Class I price during the following April, May, June, and July is decreased 25 cents per hundredweight.



The price for Class I milk during the months of October through January is not lower than the price for the preceding September and the Class I price for April through July is not higher than the price for the preceding March.

In February and March 1951 the price of Class I milk shall not be lower than in January 1951 but such special price, if applicable in March, shall not govern the April-July contraseasonal provision.

Huntington District is portion of marketing area within cities of Ashland, Kentucky; Huntington, West Virginia; and Ironton and Gallipolis, Ohio.

Class II - "Basic formula" price plus the following amounts for the delivery period indicated:

<u>Delivery period</u>	Huntington District plants	Other plants
May and June	\$0.80	\$0.60
March, April, July, and August	.90	.70
September through February	1.05	.85

The Class II price is adjusted by 25 cents per hundredweight at the same time and under the same conditions as the Class I price (see Class I price).

The price for Class II milk during the months of October through January is not lower than the price for the preceding September and the Class II price for April through July is not higher than the price for the preceding March.

In February and March 1951 the price for Class II milk shall not be lower than in January 1951 but such special price, if applicable in March, shall not govern the April-July contraseasonal provision.

Class III - "Basic formula" price.

Butterfat Differentials:

Class I - Price per pound of Chicago 92-score butter, times 1.2, divided by 10, plus one cent.

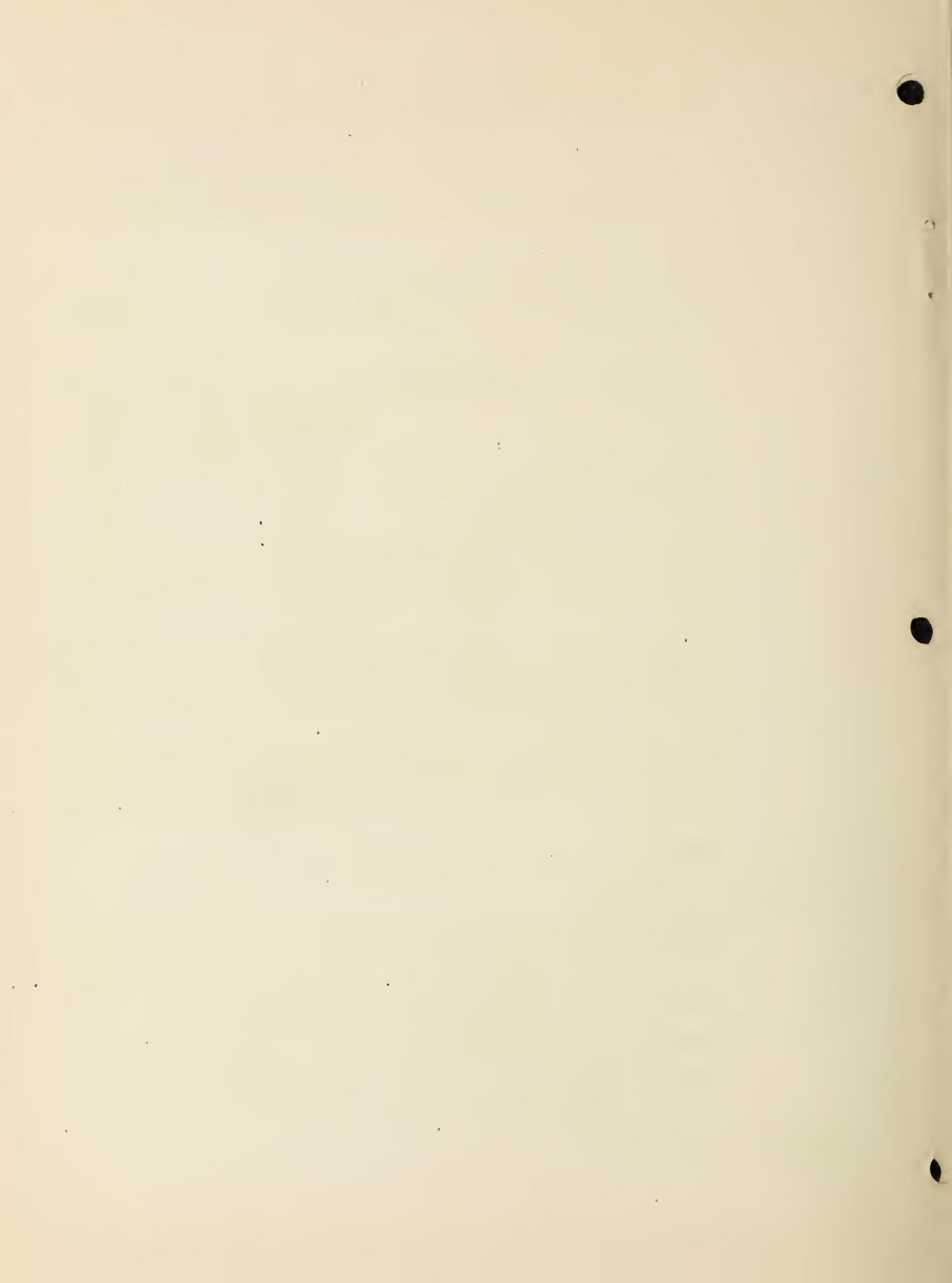
Class II - Class I differential minus one-half cent.

Class III - Class I differential minus one cent.

Producer price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Location Differentials:

None.



Method of Accounting for Milk:

Weight of skim milk and butterfat computed separately as used in each class.

Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

Interhandler Transfers:

Skim milk or butterfat disposed of by a handler to another handler in the form of fluid milk or other Class I product is classified as Class I, and if so disposed of in the form of fluid cream or other Class II product, it is classified as Class II. If a written statement signed by both handlers is submitted to the market administrator, the milk or cream is classified in accordance with its actual utilization (providing the receiving handler is not a producer-handler), subject to verification.

Outside Purchases:

"Other source" milk is deducted in series beginning with the lowest price class.

Outside Sales:

Skim milk or butterfat disposed of in the form of fluid milk or other Class I products by a handler to a plant other than a "fluid milk plant" (see definition under "Handler") is classified as Class I and if so disposed of in the form of fluid cream or other Class II products, it is classified as Class II. If a written statement signed by both buyer and seller is submitted to the market administrator, the milk or cream is classified in accordance with its actual utilization, subject to verification.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

Producer-handlers:

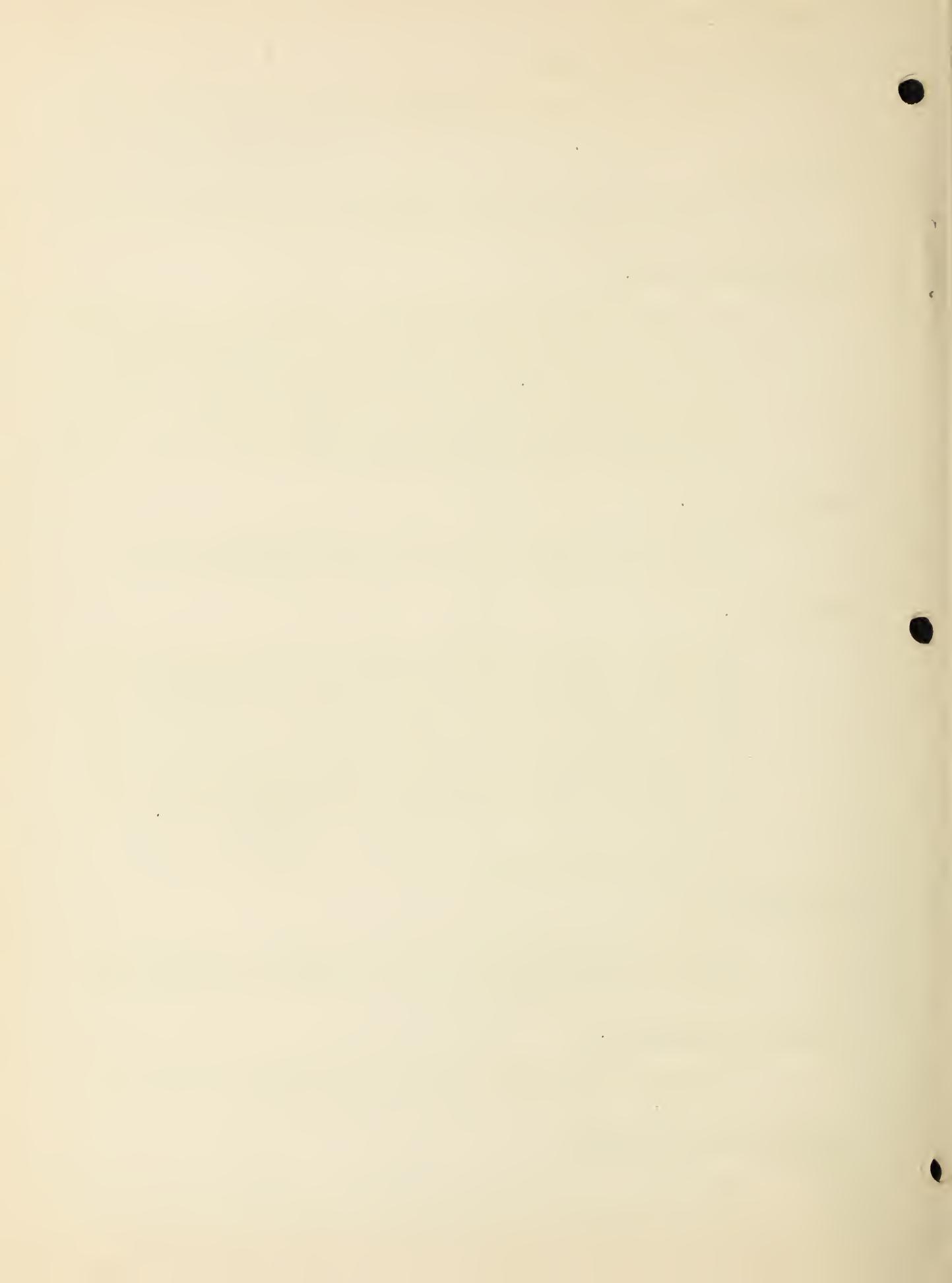
Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

Expense of Administration:

Handlers pay administrative costs not to exceed 4 cents per hundredweight.

Special Producer Provisions:

Deductions, as authorized by members, are turned over to cooperative associations. A marketing service charge not to exceed 6 cents is deducted for non-members.



Class Prices (skim milk and butterfat):

"Basic formula" price - A "basic formula" price is used for Class I and Class II prices. The "basic formula" price is the higher of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for "basic formula" price in Chicago order).
- (2) Price per pound of Chicago 92-score butter, minus 3.5 cents, times 1.2, times 3.5, plus an amount computed as follows: Price per pound of nonfat dry milk solids (carlots, roller and spray process, f.o.b. Chicago area plants), minus 4 cents, times 8.2.

Class I - The "basic formula" price plus 75 cents during April, May, June, and July, and plus \$1.10 during all other months.

The Class I price is increased by 10 cents in each month that the percentage of producer milk used in Classes I and II during the most recent four months for which data are available exceeds the percentage during the corresponding four months of the period May 1949 through April 1950 (using Classes I, II, and III in months prior to January 1950).

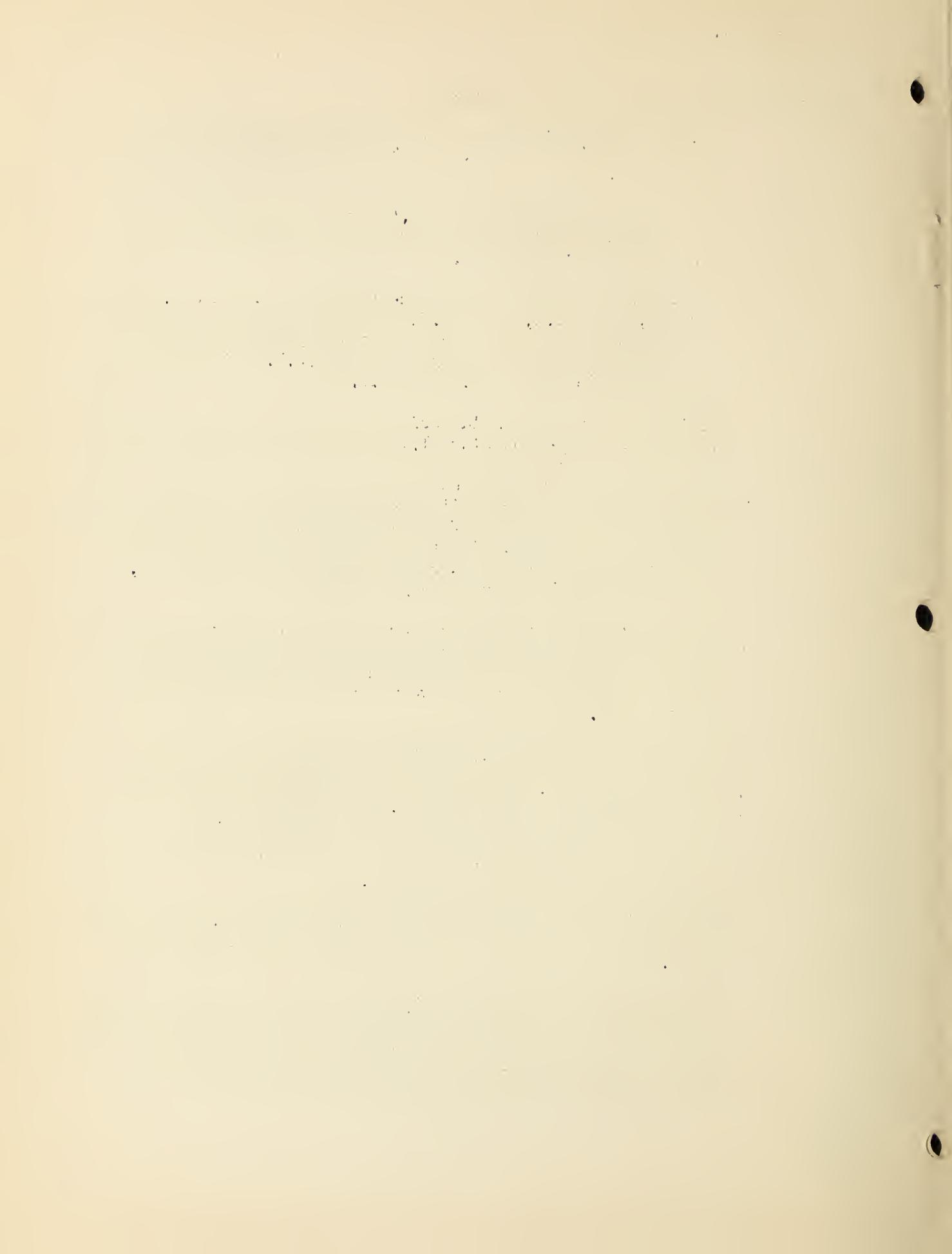
The price for the months of October through December shall not be lower than and the price for the months of April through June shall not be higher than the average of the prices for such class for the two months immediately preceding each such month.

The separate values for skim milk and butterfat are determined as the respective percentage of the Class I price that the butterfat and skim milk values are of the total milk price under alternative "(2)" under "basic formula" price.

The price of skim milk or butterfat is not lower than the price of skim milk or butterfat in Class II.

Class II - "Basic formula" price plus 35 cents for April, May, June, and July; all other months "basic formula" price plus 70 cents.

The Class II price is increased by 10 cents in each month that the percentage of producer milk used in Classes I and II during the most recent four months for which data are available exceeds the percentage during the corresponding four months of the period May 1949 through April 1950 (using Classes I, II, and III in months prior to January 1950).



The separate butterfat and skim milk values are determined in the same manner as for Class I.

The price for butterfat is not less than the value for Class III butterfat applicable to products other than butter.

Class III - Skim Milk Price - Price per pound of nonfat dry milk solids (spray and roller process, in barrels, human consumption, f.o.b. manufacturing plants in Chicago area) minus 5-1/2 cents and multiplied by 8.5.



TRI-STATE - ORDER NO. 72

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
11 FR 12926	11/1/46	Order, as amended
11 FR 13622	11/21/46	Order suspending certain provisions
12 FR 4243	7/1/47	Amendment No. 1
13 FR 1662	3/31/48	Order suspending certain provisions
13 FR 2330	4/30/48	Amendment No. 2
13 FR 7295	11/30/48	Amendment No. 3
14 FR 2783	5/27/49	Amendment No. 4
14 FR 7057	11/23/49	Order suspending certain provisions
16 FR 881	1/31/51	Amendment No. 5

MINNEAPOLIS-ST. PAUL - ORDER NO. 73

15 FR 5326	8/15/50	Order, as amended
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COLUMBUS - ORDER NO. 74

15 FR 4969	8/3/50	Order, as amended
16 FR 796	1/30/51	Amendment No. 5

CLEVELAND - ORDER NO. 75

15 FR 5878	8/31/50	Order, as amended
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